

Agenda Item E.12.b
Supplemental GMT PowerPoint
June 2009

GMT/Council Staff Report on Adaptive Management

**Presentation on
Agenda Item E.12.b, GMT Report**

Council Motion April 2009

“Pass-through” 10% AMP set aside pro-rata to quota share in Year 1 and Year 2, develop formula approach for implementation in Year 3.

Explore **non pass-through**, formula-based options for year 1 and 2.

Adaptive Management Objectives

- Community stability
- Processor stability
- Conservation
- Unintended/unforeseen consequences of TIQ program
- Facilitate new entrants (both processors and harvesters)

Basic Considerations

For each formula, we attempted to identify:

- The Primary Objective
- Council Decision Points
- NMFS implementation steps
- Data Needed to Run the Formula
- Other Considerations

The Principal Port Formula

Primary Objective: community stability

- Reduce potential shifts in delivery activity in years 1 and 2 by providing an incentive for harvesters to continue delivering to their “principal port.”
- In year 2, AMP will be allocated to vessels that delivered to their principal port in year 1.

The Principal Port Formula

Basic Design:

- Principal port is defined for each vessel as the port where it made its largest landings (mt) during a baseline year or window period (e.g., 2006-2009).
- If a vessel's principal port is the same in Year 1 of the TIQ program, it is eligible for AMP allocation in year 2.
- If eligible, a vessel's Year 2 share of the AMP is awarded pro-rata based on landings or used QP.

The Principal Port Formula

Major Council Decisions:

- Identify baseline year or window period for establishing “principal port”
 - E.g., 2010: would allow vessels to establish their principal port.
 - E.g., include years prior to 2010, vessels less (or no) influence on establishing principal port.

NMFS Implementation

- Year 1: Announce “principal port” to vessels, establish incentive in rule.
- Year 2: Apply the formula distribute QP to vessels.

The Principal Port Formula

Other Considerations:

- This same approach could also focus on a vessel’s “principal buyer” or “principal port-buyer” combination.
- This approach will not help ports that have vessels that leave the fishery in Year 1, or that are already gone (e.g., Neah Bay).

The “At-Risk” Port Incentive

“Quota Pools” established for each eligible port, port group, or region.

	N. WA	S. WA	OR #1	OR #2	CA #1	CA #2	CA #3
Sablefish	15%	15%	15%	15%	15%	15%	10%
Petrале sole	15%	15%	15%	15%	15%	15%	10%
Dover sole	15%	15%	15%	15%	15%	15%	10%
Shortspine	0%	15%	25%	15%	15%	20%	10%
Longspine	0%	15%	25%	15%	15%	20%	10%
Lingcod	15%	15%	15%	15%	15%	15%	10%
English sole	0%	20%	15%	20%	15%	20%	10%
Pacific cod	100%	0%	0%	0%	0%	0%	0%
Arrowtooth	50%	25%	15%	10%	0%	0%	0%

	N. WA	S. WA	OR #1	OR #2	CA #1	CA #2	CA #3
Canary	30%	15%	15%	25%	15%	--	--
Darkblotched	15%	25%	25%	25%	10%	0%	0%
Widow	20%	15%	20%	15%	10%	10%	10%
POP	30%	20%	20%	20%	10%	0%	0%
Halibut IBQ	30%	20%	20%	15%	10%	5%	0%
Yelloweye	35%	10%	10%	35%	5%	5%	0%
Bocaccio	--	--	--	--	--	--	100%
Cowcod	--	--	--	--	--	75%	25%

The “At-Risk” Port Incentive

Other Design Elements:

- Vessels that land in an eligible port, receive a share of the port’s “quota pool.”
 - Pro-rata to Year 1 landings in that port, or
 - On a first come, first serve landing-by-landing basis (e.g., for every 1,000 lbs of species X in Year 1, receive 100 lbs of AMP QP in Year 2).

Major Council Decisions:

- Identify eligible ports or regions.
- Divide AMP QP between the ports by species.

The “At-Risk” Port Incentive

Other Design Elements:

- Vessels that land in an eligible port, receive a share of the port’s “quota pool.”
 - Pro-rata to Year 1 landings in that port, or
 - On a first come, first serve landing-by-landing basis (e.g., for every 1,000 lbs of species X in Year 1, receive 100 lbs of AMP QP in Year 2).

Major Council Decisions:

- Identify eligible ports or regions.
- Divide AMP QP between the ports.

The “At-Risk” Port Incentive

NMFS Implementation Steps:

- Year 1: establish eligible ports and quota pools in rule; Year 2 allocate.

Other Considerations:

- Bycatch quota pools matched to high bycatch ports to counter cost/risk of fishing for that port.
- Doesn’t rely on past relationships, could be used to attract new vessels into ports.
- Flexibility for different approaches in each state.

The Processor Stability Formula

Primary Objective: processor stability

- Provide buyers/processors with QP, which they can use to attract vessels.
- Distribution of AMP QP set aside occurs in Year 1 based on allocation formula

Basic Design:

- Uses window period (e.g., 2006-2009) to distribute AMP pro-rata based on buying history (first-receiver on the fish ticket).
- In Year 2, window could switch to a rolling average.

The Processor Stability Formula

Major Council Decision:

- Identify formula window period.
- Duration of program.

NMFS Implementation:

- Distribute AMP set aside based on buying history formula.

Other Considerations:

- Council could add conditions on use of QP received through formula for community stability (e.g., must be landed in traditional port); yet, this might require some additional tracking.

Incentivizing Reduced Tow Times

Objective: conservation

- Reward vessels with below average tow times with the intention of reducing trawl gear contact.

Basic Design:

1. Calculate average non-whiting tow lb/hour in year 1.
2. Vessels with a below average rate in year 1 become eligible for AMP quota pounds in year 2.

Incentivizing Reduced Overfished Species Mortality

Objective: conservation

- Reward vessels with unused overfished species QP at the end of Year 1.

Basic Design:

1. Calculate the amount of unfished quota pounds in each vessel account for each overfished species;
2. Divide these unfished QP amounts by each species' trawl allocation to derive a percent value;
3. Average these percent values for each vessel account; and
4. Allocate AMP quota pounds to vessels pro-rata to their aggregate unfished quota pound percentage.

Incentivizing Reduced Overfished Species Mortality

Table 4. Hypothetical Example of Unused Overfished Species QP Incentive Option.

Vessel ID	Species	Unused QP (mt)	Trawl Allocation	Result (% of trawl allocation)
Vessel A	Darkblotched	8	200	4%
	Yelloweye	.02	0.6	3.33%
	POP	12	180	6.7%
	Result (average)			4.7%
Vessel B	Darkblotched	10	200	5%
	Yelloweye	.01	.6	1.7%
	POP	10	180	5.56%
	Result (average)			4.1%

Unforeseen/Unintended Consequences

- To address in Year 1, hold back some or all of AMP set aside, respond to harm when it occurs.
- Or, address Year 1 harm with Year 2 AMP distribution.
- Supplemental GMT Report.

GMT Recommendations

1. Consider the suitability of the formulaic options for meeting the Council's adaptive management program objectives.
2. Consider AMP implementation in year 1 or 2 versus implementing a pass-through option in years 1 and 2